

November 12, 2002

**FORMER FINANCE COMPANY MANAGER PLEADS GUILTY
TO FEDERAL FRAUD CHARGE**

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois, and THOMAS J. KNEIR, Special Agent-In-Charge of the Chicago Office of the Federal Bureau of Investigation, today made the following announcement:

Today, in federal court in Rockford, **KENNETH T. MARTIN**, 32 (DOB: 1/26/70), of 414 Grace Drive, Lake in the Hills, Illinois, former branch manager of Castle Finance Company ("CFC") in Harvard, Illinois, pleaded guilty to a bank fraud charge that he engaged in scheme to defraud CFC out of more than \$70,000 over a two-year period.

In pleading guilty, Martin admitted that during the period of August 1995 through November 1997, he was employed by CFC as a branch manager of CFC's Harvard branch. CFC was in the business of making consumer loans secured by collateral, and Martin's responsibilities as branch manager included the approval of consumer loans. During the same period, his co-defendant Joseph A. Shedbalkar was engaged in the business of selling used vehicles to individual purchasers, many of which needed consumer loans to purchase the vehicles. Martin admitted that between the fall of 1995 and November 1997, co-defendant Shedbalkar obtained more than \$70,000 in consumer loan proceeds from CFC by obtaining loans on behalf of himself and others, some of which were supported by fraudulent information and documentation. Martin admitted that he approved those loans with the knowledge that they were supported by fraudulent information and documentation, including a loan to co-defendant Shedbalkar for more than \$27,000, in violation of CFC's lending policies.

Martin is scheduled to be sentenced by United States District Judge Philip G. Reinhard in the United States District Court in Rockford on January 17, 2003, at 11:00 a.m. The bank fraud charge to which Martin pleaded guilty carries a potential penalty of up to 30 years of imprisonment, a fine of up to \$1,000,000, and any restitution. Martin's actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines.

The case was investigated by the Rockford Office of the Federal Bureau of Investigation. The case is being prosecuted in federal court by Assistant United States Attorney Daniel L. Olson.

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